

MINUTES

NATURAL RESOURCES COMMISSION

**Kellogg Center
Michigan State University
Harrison Road
East Lansing**

March 6-7, 2003

Present

Jim Campbell
Keith Charters, Chair
Paul Eisele, Vice-Chair
Bob Garner
John Madigan
Bill Parfet
Frank Wheatlake

K. L. Cool, Director
A. Michael Leffler, Legal Counsel
George Burgoyne, Resource Management Deputy
James Ekdahl, Upper Peninsula Field Deputy
Kelli Sobel, Administrative Services Deputy
Department Staff

COMMITTEE OF THE WHOLE

Chairman Charters called the Committee of the Whole meeting of the Natural Resources Commission (NRC) to order at 3:10 p.m. on Thursday, March 6, 2003. The Committee of the Whole is a working session of the NRC.

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Budgets

Director Cool reported that Governor Jennifer Granholm presented a balanced budget for Michigan to the Michigan Legislature. The budget, as presented, is what she believes matters most to Michigan families, children, education, health care and public safety. He stated that the DNR will work through these budget changes and they will require a conservative, efficient and effective approach. The Governor's budget will focus on the core State government services and will demand that those services be administered in a more efficient manner. She eliminated a \$1.7 billion deficit without raising taxes.

Director Cool said the DNR remains committed to educational outreach and that the Fiscal Year (FY) 04 budget contains \$500,000 for the L.A.P.s Program. The Governor is recommending an increase in user fees at State parks to balance the needs of the State park system. The budget also reconfigures State functions resulting in consolidation of all fire protection offices in S.E. Michigan. The proposed DNR budget appropriation for FY 04 is \$242.1 million, of which \$28.8 million is General Fund.

The DNR has or intends to:

- reduce vehicles by 10 percent except in Law Enforcement Division;
- reduce contracts by a minimum of seven percent;
- eliminate color copying and color printing;
- eliminate all unnecessary mailings;
- reduced cell phones and their usage;
- decrease subscriptions
- pause per diem and travel expenses for Commissioners, Board members, Committee members, etc.;
- assess and address telephone usage;
- reduce memberships in organizations;
- power-down buildings evenings and weekends.

Kelli Sobel, Administrative Services Deputy, reviewed budget reductions which reflect a 44.7 percent reduction in General Funds since FY 01. She commented that it is prudent to evaluate the reductions outlined previously and that staff has or will accomplish this task soon to affect the FY 04 budget. The FY 04 Executive budget recommends increases to parks camping fees (Natural Resources Commission authority) and Parks entrance fees (Legislative authority) in order to maintain operation of the existing parks at their current level. This proposed change does not allow for any infrastructure improvements to State parks and any revenue will be utilized for operation of the parks. Parks fee increases would require statutory changes.

Ms. Sobel stated that much of the information needed to reflect savings in the previously described areas, was available because of the efforts of staff, and because of the funds reviews during the NRC Policy Committee on Finance and Administration meetings.

Commissioner Parfet commended **Ms. Sobel** and DNR Administrative Services staff for their work and for maintaining the integrity of as many programs as possible through difficult budget times.

Ms. Sobel noted that the Executive Order recommends a Payment in Lieu of Taxes (PILT) reduction to \$2 per acre but Legislation is necessary to implement

this change. She continued to review proposed reductions for FY 04 and commented that more reductions may be forthcoming

Overall, the DNR will experience a 30.8 percent reduction in General Funds for FY 04.

Discussion ensued.

Natural Resources Commission Meetings - Discussion

In a memorandum from the Director of the Department of Management and Budget, it was requested that, among other things, that Departments "pause all per diem and travel reimbursements to boards and commissions where permitted by statute." Mike Leffler, Legal Counsel to the NRC, stated that this request is not legally binding. Director Cool stated that, though not legally binding, this is one of many measures being requested to reduce expenditures and spending. Discussion ensued.

As a result of budget reductions, the NRC modified its 2003 schedule to meeting in Lansing in May rather than in the South Haven areas as previously advertised. This change reduced staff travel. Discussion ensued. The schedule for the remainder of 2003 was decided on as follows:

April 10-11	Lansing
May 8-9	Lansing
June 5-6	Monroe
July 10-11	Lansing
August 14-15	Lansing
September 11-12	Munising
October 9-10	Lansing
November 6-7	Lansing
December 4-5	Lansing

Commissioner Garner emphasized that it is important to continue the NRC Committee meetings in Lansing to ensure that the appropriate staff are able to attend.

The Committee of the Whole meeting adjourned at 4:20 p.m.

REGULAR MEETING OF THE NATURAL RESOURCES COMMISSION

Chairman Charters called the regular meeting of the Natural Resources Commission (NRC) to order at 4:45 p.m.

PUBLIC APPEARANCES

Ann Louise Budd, Michigan Horse Council
Adam Bump, Ruffed Grouse Society
Gary Conant, Monroe
Duane Dykstra, Michigan Horse Council
Ivan Fende, Chocolay Township
Damon Glej, Glej's, Inc.
Bill Harris, South Fox Island Public Hunters Club
James Walter Horvath, Lake Superior Sportsman's Hunters Club
Bill Lowrie, Mason County Chapter United Sportsmen's Alliance
Leonard Mannausa
Elden Montross, Friends of Pontiac Lake Recreation Area
Walter Olmstead, Sr., United Sportsmen's Alliance
Brian Preston, Monroe County
Randy Smith, Whitetails Forever Network
Robert Taylor
John Wagner

PUBLIC APPEARANCES

Walter Olmstead, Sr., United Sportsmen's Alliance, does not support mandatory antler restrictions on public and private lands in Mason County.

Bill Lowrie, Mason County Chapter United Sportsmen's Alliance, requested that the Quality Deer Management (QDM) process be reviewed and evaluated for cost and enforcement of the guidelines. **Commissioner Garner** noted that the NRC Policy Committee on Wildlife Issues will be addressing and reviewing the QDM process in the near future.

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Commissioner Bill Parfet left the meeting.

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Ivan Fende, Chocolay Township Supervisor, commented that litigation is in process relative to a snowmobile trail and a zoning conflict in Marquette County. He recommended that all state snowmobile trails be eliminated from residential areas with more than 20 homes per mile unless approved by the local

jurisdiction; put a 15-20 mph speed limit on all trails in residential areas and a 10 p.m. to 8 a.m. curfew in all residential areas; and move toward requiring all new off-road vehicles and snowmobiles to be four cycle in order to ride on State trails by 2007. He has received several calls from all over Michigan regarding this issue.

Leonard Mannausa expressed concern regarding the environmental degradation of Grassy Island near Wyandotte and the negative affects on the fisheries and wildlife on the Island.

Bill Harris, South Fox Island Public Hunters Club, requested the NRC reevaluate the October 29 hunt closure on South Fox Island and he opposed any land exchanges on the island.

Dr. Gary Conant, Monroe, contends that the deer population estimate is over-inflated allowing too many deer to be harvested in the state. He supports implementing a mandatory deer count be and issuing less antlerless permits.

Robert Taylor proposed the adoption of shoulder firing 16" or longer barreled firearms using any and all current criteria for handgun rounds.

Randy Smith, Whitetails Forever Network, believes that the DNR should count every legally harvested deer in the state; does not support the extended antlerless season; supports mandatory tagging of button bucks; and believes the DNR's deer survey process is outdated. **Commissioner Garner** stated that the State of Wisconsin has mandatory deer check and they claim it does not produce better numbers than the process used in Michigan.

Adam Bump, Regional Biologist, Ruffed Grouse Society, supports the implementation of a late hunting season (December 1 through January 1) for ruffed grouse in the Upper Peninsula beginning in the 2003 hunting season. He presented several letters received from various groups in support of this change.

John Wagner expressed his continuing concern with Chronic Wasting Disease (CWD) entering into Michigan. He recommended that Michigan ban importation of animal scents and lures; ban importation of un-taxidermy skins, horns and other animal parts; ban importation of un-processed meat; ban any more "high fences" or deer/elk pens; and implement a ban on protein enriched feed. **Chairman Charters** presented Mr. Wagner with a copy of the Governor's Executive Order which establishes a Chronic Wasting Disease Task Force.

Elden Montross, Friends of Pontiac Lake Recreation Area, stated that Oakland County is seeking to purchase State land around Pontiac Lake currently designated for recreational use. He believes that, if sold, the land would be lost to hunting. **Lowen Schuett, Assistant Chief, Parks and Recreation**, said this

proposal is still in the design and planning process between Oakland County and the Department of Transportation. Mr. Schuett noted that it is the DNR's stance that there is no net loss of property.

Ann Louise Budd, Michigan Horse Council, invited the NRC to participate in the Horse Expo 2004. She also invited the NRC to attend the fall trails seminar.

Duane Dykstra, Michigan Horse Council, supports development of multiple use trails and asked that everyone work together to allow this to occur.

James Walter Horvath, Lake Superior Sportsmans Hunters Club, requested direction on how to obtain a lease to utilize a facility to build a shooting range.

Damon Glei, Glei's, Inc., is an apple farmer who appreciates all aspects of the extended deer hunting season. However, he experiences crop damage due to a large deer population on his farm in Hillsdale County. He does allow hunting on his property, but suffers crop damage. He asked that his concerns be expressed during development of deer hunting regulations.

Brian Preston, Monroe County resident, supports the NRC conducting meetings outside of Lansing. He believes it is important for residents of various communities to host meetings in their areas.

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The Natural Resources Commission meeting adjourned at 6:40 p.m. on Thursday, March 6, 2003 and reconvened at 8:30 a.m. on Friday, March 7, 2003.

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DIRECTOR'S REPORTS

DNR Budget Issues

Director Cool reported on the various cost-cutting efforts the DNR intends to take. He stated that the State Parks guide would be in color because it had gone to print prior to issuance of the Executive Order. However, the hunting and fishing guides will likely be printed in black and white. Staff is also considering proposing a more simplified fees structure for parks and recreation facilities. If implemented, the new fee structure would be in effect beginning in the 2004 camping season.

Kelli Sobel discussed issues related to Clean Michigan Initiative (CMI) Bonding. The Department in 2001, set a schedule for cash flow that would require the second phase of CMI bonds to be issued in March of 2003. The Department of

Treasury is not planning to issue bonds until May or June, 2003 which puts the Department in a cash flow problem. The Department is out of cash in the CMI Local program with \$17 million in outstanding needs, and almost out of cash for the Parks program with \$13 million in outstanding needs. The Department will be working with the Department of Treasury to meet our current obligations and on future bonding.

Commissioner Eisele made a motion, supported by Commissioner Garner, to prepare proposed camping fee restructuring to bring back to the NRC for action. Motion unanimously carried.

The DNR will seek Legislation to increase motor vehicle permit fees and senior citizen fees.

Statewide Comprehensive Outdoor Recreation Plan (SCORP)

Jim Wood, Grants, Contracts and Customer Systems Chief, presented the draft 2003-2008 SCORP. Public Law 88-578 established the Land and Water Conservation Fund (LWCF) creating a federal funding source for both Federal acquisition of park and recreation lands and matching grants to state and local governments for outdoor recreation planning, acquisition and development. The DNR administers LWCF monies and the SCORP for Michigan. The draft was presented to the National Parks Service on December 31, 2002. The Plan was open for public comment from January 1, 2003 through February 28, 2003 and was presented to the NRC for information and to provide an update on the status of staff's efforts.

Post Production Costs Audit Update

Mary Uptigrove, Forest, Mineral and Fire Management Division, reviewed the status of contracted audits on post production costs (PPC). Audit costs to date are \$1.3 million with \$3.2 million collected and \$22,000 refunded. Fiscal year 2003 requests for quotations are being prepared for additional audits. Staff has been working with 19 companies in redefining the PPC process. To date, 13 agreements have been executed and agreement is expected to be reached with most of the remaining six companies. She also noted that 153 sets of PPC schedules have been received from 18 companies, one of which was received from one of the largest Antrim producers in Michigan. Discussion ensued.

Right-to-Forest Act

Mindy Koch, Forest, Mineral and Fire Management Chief, reported that this Act will take effect on March 31, 2003. This act specifically requires the Natural Resources Commission to develop generally accepted forestry practices.

Ms. Koch recommended that the DNR and NRC convene a meeting to review GAFMP to bring before the NRC for review and comment. The NRC is charged to annually review the GAFMP and revise as necessary.

Becoming an Outdoors Woman (BOW)

Director Cool read excerpts from a letter from Dr. Wei-Zen Wei, Professor, Wayne State University, expressing her appreciation for the BOW program and recommending expansion of the program. In the letter, Dr. Wei urged the DNR to “seek and allocate significantly greater support to educate Americans, in particular women and children, in the skill and knowledge of the great outdoors life.”

South Fox Island

Director Cool announced that Attorney General Michael Cox authorized the proposed exchange on South Fox Island. All conditions in the letter from former Attorney General Jennifer Granholm were satisfied.

APPROVAL OF MINUTES – FEBRUARY 6-7, 2003 NATURAL RESOURCES COMMISSION MEETING

Commissioner Eisele made a motion, supported by Commissioner Garner, for approval. Motion unanimously carried.

NRC POLICY ON DEPARTMENT LANDHOLDINGS

Commissioner Eisele made a motion, supported by Commissioner Garner, for approval. Motion unanimously carried.

MICHIGAN NATURAL RESOURCES TRUST FUND BOARD (MNRTF)

Chairman Charters announced that he is resigning his position on the MNRTF. One board member’s seat is reserved for the NRC Chair or Chair’s designee.

Director Cool thanked Chairman Charters for over 11 years of service as a MNRTF member and said that it was remarkable what he offered and accomplished while he was a Board member.

Commissioner Eisele made a motion, supported by Commissioner Wheatlake, to appoint Commissioner Bob Garner to represent the NRC on the MNRTF. Motion unanimously carried.

NRC GOALS REVIEW - 2003

Goal 3: Commissioner Wheatlake asked that the Commissioners contact the Legislators in their area and inform them who the NRC is, what they do, and to review needs of the DNR. Commissioner Wheatlake asked that communications remain open on current legislative issues.

Goal 4: Commissioner Garner will have a strategic plan for public relations for review at the April NRC meeting.

Goal 1: Commissioner Eisele reported that a land use strategy for all DNR landholdings would be prepared by mid-year, 2003.

Goal 5: Rebecca Humphries reported that the Governor's Executive Order was recently released with a goal of developing a strategy for CWD by later in 2003. She is not certain if the NRC will serve on the Task Force.

POLICY COMMITTEE REPORTS

NRC Policy Committee on Wildlife Issues

Commissioner Garner, Committee Chair, reported that the NRC Policy Committee on Wildlife Issues met at 9:30 a.m., Thursday, March 6, 2003 at the Kellogg Center, East Lansing. Commissioners Garner and Campbell were present for the Committee. Commissioners Wheatlake, Charters and Eisele also attended the meeting. Topics of discussion included: Bear Baiting Regulation Changes; Goose/Human Conflict Resolution Update; 2002 Deer Season Surveillance; Evaluation of the Late Antlerless Deer Season – preliminary information; and Quality Deer Management (QDM) Proposal Survey Results. **Commissioner Garner** reported that all of the QDM proposals submitted were rejected due to not meeting 66 percent support of those surveyed.

NRC Policy Committee on Technology, Information, Marketing and Education (TIME)

Commissioner Garner, Chair of the Committee, reported that the NRC Policy Committee on TIME met at 1:30 p.m. on Thursday, March 6, 2003 at the Kellogg Center, East Lansing. Topics of discussion included: Update on the L.A.P.s Program, Review of the Performance Audit on Hunting Permits and viewing some newly released DNR videos. Commissioner Garner places a high priority on education and outreach.

NRC Policy Committee on Finance and Administration

Commissioner Wheatlake reported that an NRC Policy Committee on Finance and Administration meeting was held at 9:00 a.m. on Friday, January 31, 2003. Commissioners Parfet and Wheatlake were present for the Committee. Commissioners Charters and Madigan were also present. Items of discussion were: Audit Fund Balances; Asset Allocation; Retail Sales System/Broadband Authority Loan; License Fee Legislation Update; Turkey Habitat Update; PILT Update and the Accomplishments/Goals. The next meeting of the Committee will be held on Friday, March 21.

Commissioner Reports

Commissioner Campbell received comments regarding the management of the deer herd and attended an Outdoorama luncheon as a special guest. Commissioner Campbell commented that he does not believe the legal hunting age should be lowered because there is an age where youth are not mature enough for the sport.

Commissioner Madigan participated in a dinner with U.P. sportsmen's groups in Munising. He strongly suggested that the NRC keep the U.P. meeting on the schedule for September.

NRC SCHEDULE

Following discussion, **Commissioner Garner made a motion, supported by Commissioner Madigan, to meet in Lansing in May rather than in South Haven, and keep the remaining schedule as approved. Motion unanimously carried.**

Commissioners Madigan and Garner will attend the U.P. wildlife meeting on behalf of the NRC. Any other Commissioners are welcome to attend. This meeting will be held in Marquette.

The NRC will hold the Friday NRC meetings (those scheduled in Lansing) in the Mason Building, Lansing.

COMMISSIONER'S REPORTS (continued)

Commissioner Eisele attended the Outdoorama luncheon as a special guest and attended the Detroit Boat Show guest luncheon.

Commissioner Garner attended the Outdoorama luncheon; was master of ceremony on the MUCC Big Buck show; and received several phone calls and mail relative to DNR issues.

Director's Action Items

Director Cool intends to sign all Director's Action Items on the agenda.

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The meeting adjourned at 10:30 a.m.

Approved: _____
Date

Keith J. Charters, Chair

K. L. Cool, Director